

2018 HOME NOFA Projects FAQs

Questions		Answers
1	Does the Direct HUD HOME grant apply to CHDO applicants or only jurisdictions applying directly for HOME funds?	The direct HUD HOME grant is made from HUD to State of California Department of Housing and Community Development. The Department then grants or loans these funds through the NOFA process.
2	For the areas of opportunity points, does the area need to be designated as 'high resource', 'highest resource', 'moderate resource', etc.? The link you provided to the TCAC map and excel spreadsheet list many different categories. What resource categories are considered 'areas of opportunity'?	Projects located in areas of opportunity within the TCAC Opportunity Map in either "Highest" or "High" opportunity zones will earn the points.
3	<p>The HOME NOFA allows developers to apply directly for a HOME Allocation. As we know, the ultimate borrower of the funds will likely be a single-purpose entity; for example: a to-be-formed Limited Partnership.</p> <p>If the developer is the Managing General Partner of the Limited Partner, should the application list the developer or Limited Partner as the "Applicant?"</p>	The developer should be listed as the "Applicant" and "Sponsor/Developer." The limited partnership should be listed as the "Owner."

4	<p>Definition of Mortgage Assistance: In the NOFA on page 9 for eligible activities it cites: Homebuyer Mortgage Assistance in a project that is being constructed or acquired and rehabilitated with other funds.</p> <p>What is the definition of Mortgage Assistance? Is it the same as down payment assistance? Does it mean a loan? Or a direct buy down of the first mortgage as a grant? Or both?</p>	Mortgage assistance is down payment to purchase. It is a deferred payment loan made to the eligible home purchaser, which reduces the amount needed for a first mortgage.
5	<p>Page 21 of the NOFA J, 2. Offers a detailed description of a first mortgage including that it must be a 30 year fixed rate loan. We will be utilizing USDA 502 direct loans that have terms of 33 or 38 years based on the need and the rate can fluctuate based on the borrowers income. Will this mortgage be an allowable first mortgage?</p>	Yes, a USDA 502 fixed rate loan with a term of 33 or 38 years meets the HOME 30-year minimum loan term requirement.
6	<p>Can a CHDO apply for an Owner Occupied Rehab program grant? We have many senior citizens that contact us on a regular basis requesting assistance with rehab.</p>	No. Please see the 2018 HOME NOFA, Page 11. Owner Occupied Rehabilitation funds are provided to eligible cities and counties.
7	<p>Definition of Infill: We have 17 vacant contiguous lots in Arbuckle California which is in a rural county. They are surrounded by other housing, businesses and a school. Would this meet the definition of infill?</p>	Please refer to page 10 of the NOFA. The definition of infill can be found there.
8	<p>Does the Developer, as an applicant, request \$100,000 for Activity Delivery Costs and \$50,000 for Admin Costs?</p>	No. Developers are not eligible for Activity Delivery or Admin costs.

9	<p>Does the Developer, as an applicant, need to provide an Article XXXIV compliance letter?</p> <p>How does a Developer document that the proposed project either complies with or is exempt from Article XXXIV of the California Constitution?</p>	<p>Yes, all applicant projects are subject to Article XXXIV. Instructions to document Article XXXIV can be found starting on page 52 of the HOME NOFA.</p>
10	<p>Where do we put the documentation to indicate the project is in a TCAC high opportunity area?</p>	<p>Yes, please include a copy of the TCAC map showing your project is in a high opportunity area. HCD will also verify the proposed project is located in an area of opportunity.</p>
11	<p>Can a manager unit be used in the calculation for amount of HOME NOFA we are eligible for?</p>	<p>This would depend on your project. The manager's unit should be included in your calculation. Please see instructions in the HOME Supplement to the universal application, starting on page 20</p>
12	<p>We are applying as an LLC, but will eventually have a formed Limited Partnership be the actual owner. Any problems with this?</p>	<p>LLCs are not eligible applicants, unless they meet the definition of developer.</p>
13	<p>On Page 7 of the NOFA under "Additional HOME Eligibility Criteria," it states that the HOME 50% rule restricts eligibility to apply for "Program funds." Does it also restrict a jurisdiction's ability to apply for "Project funds"?</p>	<p>No. Projects are not subject to the 50% Rule.</p>

14	<p>On Page 17 of the FTHB Project Application, it states:</p> <p>“No appraisal is needed if land is being donated to the project, no land costs will be shown in the development budget, and there are no other financial consequences from the land donation which would require that the Department assess the value of the land (e.g. not calculating a higher percentage of permanent financing committed due to land donation)”</p> <p>We bought a parcel for \$1 from the County. Our understanding is that no appraisal will be needed for the parcel that was purchased for the subdivision, since this was a donation. Please confirm. Will HCD require that we include in the application an appraisal for the finished lots that will be sold to families?</p>	<p>Yes. HCD will require an appraisal for the finished lots and that includes value of the proposed housing unit. See pages 33 and 34 of the FTHB project application.</p>
15	<p>We’re attempting to identify all of the scoring criteria for an FTHB project. On Page 35 of the NOFA, Table 10 is labeled as “Rental.” Some of the items in Table 10 reference FTHB projects. Is it correct that some of the point criteria for FTHB are found in Table 10?</p>	<p>Table 10 in the NOFA is not to be used for FTHB projects to determine scoring criteria. Please find the FTHB project scoring criteria in the FTHB project application.</p>
16	<p>Page 42 of the HOME Rental Project Supplement item 3.</p> <p>Describe how the subject project will be eligible under section 10322 (h)(9) of the TCAC Regulations for the upcoming tax credit funding round (build/fill rule).</p> <p>What is this build/fill rule referenced? This section seems to be speaking of appraisals. Would a few sentences stating we will abide by these requirements suffice?</p>	<p>The reference is a carry over from previous rounds. TCAC has since updated its regulations and 10322 (h)(9) is no longer applicable.</p>

17	In the category of Project Feasibility, how would we score points if we are applying as a Developer, not a CHDO or State Recipient?	The developer would be scored like a CHDO.
18	As part of the HOME application Supplement Checklist, #17 is HOME Units Worksheet. I am not sure which is this worksheet. Can you point me in the right direction?	Item 17 "HOME Units Worksheet" is referring to the "Rents & Unit Mix" worksheet (Rents) in the universal application.
19	We have a "Tri Party Agreement", in place of a traditional purchase option or P&S agreement. Can this be considered as evidence of site control:	Tri Party Agreements are not an acceptable form of site control.
20	As part of the HOME application Supplement Checklist, #29 is Developer Fee Worksheet. This has not been uploaded on HCD's website yet. Should I use an older version of this?	No. Please use the Developer Fee Worksheet version that will be posting soon.
21	Our project is located in a "Highest Resource Area" within the TCAC Opportunity Map. Does this mean we automatically qualify for 80 points? Or do we also need to fill out the Form Appendix I?	Appendix I is for HOME Program activity applicants. Also, please see answer #3 in this document.
22	Our question is whether our application needs to include the actual back up census tract data that was used to support the Rural Designation Excel Sheet Form?	Applicants not automatically qualified as rural counties are required to complete Exhibit A1. We recommend attaching the back-up data.

23	If a Developer is applying directly to HCD for State HOME funds, is the Developer's 2017 Audited Financial a Threshold Requirement for the application? Many larger developers throughout the State of California typically complete their audited financials around the end of Q3/ early Q4. These developers are typically the Managing General Partner's of several Limited Partnerships. The Partnership level audits need to be completed prior to completing the developer's audited financial.	Audited financial statements are required if the 2017 is not available they should submit the most recent that was completed.
24	Under the HOME Supplement Checklist provided for us, there is Attachment #26a labelled as State Objective Points Worksheet. By "Worksheet", are you referring Appendix I? So, we fill out Appendix I and attach it as Attachment #26a?	<p>Applicants seeking access to opportunity and/or homelessness state objective points for program activities must complete and submit the State Objective Criteria and Scoring Form (Appendix I) with the application package.</p> <p>Project applicants do not have to complete this worksheet and do not have to provide Attachment #26a.</p>
25	Can you clarify if you are requiring resumes and estimated hours for subrecipient staff in Part B, page 3?	All participants, or members of the development team, who are only involved in the Project on a fee for service basis must provide a resume or complete Schedule A which details rental housing projects in which they previously participated.
26	In the NOFA on Page 22 it states, "FTHB Acquisition-only projects are exempt from the market and developer capacity analysis, however, the applicant must demonstrate cost reasonableness and that all financial commitments are in place." Does this apply to the program that we have described, or just to FTHP projects where no construction is taking place?	This statement applies only to FTHB Program "projects." It does not apply to FTHB Projects.

27	USDA has developed an online tool to determine if a particular parcel is eligible for 515 funding. Is a screen shot from this tool adequate to demonstrate 515 eligibility and qualification for Rural status on a HOME application, or is a letter from USDA required?	The HOME supplemental application provides instruction for three different ways to document your rural status. Please use these processes.
28	If a project is receiving project based vouchers for developmentally disabled tenants, does this count as for special needs funding as Special Needs units? If not, how can the Sponsor show this as a set-aside without special funding allocated?	The project based vouchers qualifies as a funding source. For State Objective Points, see state objectives starting on page 37 of the NOFA for more detail.
29	Is possible to request performance point deduction estimates from Staff for specific cities?	Please consult with the cities prior to contacting HCD. The cities should be aware of any circumstances that would result in a point reduction.
30	<p>On page 20, the HOME NOFA, in describing activity delivery costs, states:</p> <ol style="list-style-type: none"> 1. Up to 5 percent of the HOME TBRA payment for unit inspection and income determination activities 2. Up to 6.5 percent of the HOME amount for all other activities. <p>We would like to know if the above means a maximum of 11.5 percent may be requested or does the above mean 5 percent may be requested, plus 1.5 percent for all other non - unit inspection/income eligibility activities.</p>	<p>No. These are up to maximums for each type of program.</p> <p>Up to 5% for TBRA eligible cost for reimbursement.</p> <p>Up to 6.5% for FTHB eligible cost for reimbursement.</p> <p>All reimbursed costs must be actual. Records of the costs must be maintained and available to support expenses in the event of an audit.</p>

31	<p>We are applying as a Developer; however, we are co-developers with a nonprofit organization. Will you guys consider the experience from both entities for the Experience points?</p>	<p>Please see the instructions in the Universal Rental Project Application Form, UA Form XX (Experience):</p> <p>The Previous Participation Certificate, including Schedule A, must be completed in its entirety and signed by all applicants, proposed general partners, developer and development consultant with whom the sponsor has a comprehensive development services contract, and affiliates applying to any one of the agencies.” To receive points for similar project experience, this information must be provided by the applicant, developer, owner, and managing general partner for subsidized projects of the same type proposed in the application.</p>
32	<p>The NOFA states that a 2017 market study will suffice; however, the slides state that it needs to be from 2018. Could we use the 2017 market study?</p>	<p>HCD will accept a 2017 market study which, if necessary, can be updated during the feasibility review.</p>
33	<p>Will a letter from the City stating this is a New Construction project on a vacant piece of property suffice for the relocation plan requirement?</p> <p>If a Non-Relocation Certification Form is needed, could you direct us on where to find this?</p>	<p>A relocation certification is required even if the project site is vacant land. However, if an applicant that asserts that its project does not require relocation must submit a detailed explanation, including supporting documentation, as to why no relocation (of tenants, farms, businesses, etc.) is required.</p> <p>A letter from the City detailing why relocation is not needed must be submitted.</p>

34	For the previous experience, it looks like only 3 previous projects of “similar type” are needed to get the full 200 points. Members of our development team have a lot more than that in their previous experience from the years of 2013-2017. Is it beneficial to add these in the list?	<p>Applicants that have 3 projects in the last 5 years may receive the maximum 200 points for similar project experience (see HOME Supplement, Page 8).</p> <p>Yes. To receive points, applicants must complete the Universal Application worksheets; complete the Previous Participation Certification and Schedule A to report experience of Applicant, Developer, Owner and/or Managing General Partner, indicating the specific “role” in Schedule A, column 3. Enter the date of the Recorded Notice of Completion as the “Ended Date”. It is not necessary to report all previous projects, as only those completed within the last five years will be used for scoring purposes. Specifically, this will be used to determine points for the Capability scoring category “Similar Project Experience last 5 years”</p>
35	How will the Department decide which application will receive 2017 HOME funds and 2018 HOME funds?	The Department will address this in the NOFA amendment expected to be published by August 17, 2018.
36	If 9% tax credit projects were previously restricted to a maximum of \$2 million, are you eliminating 9% tax credit projects?	Only projects located on Native American lands and proposing 9% tax credit will be considered for funding. All other projects are not eligible if proposing use of 9% tax credits in response to this NOFA.
37	Is the recapture requirement only applicable to program activities?	No, it also applies to FTHB Projects.
38	Will HCD consider USDA or other restricted funds that will be applied for after the applications are due committed?	HCD will only consider funds committed if the applicant supplies an award letter or other proof of commitment submitted in the application.
39	If we are applying are applying for HOME and another funding source concurrently (i.e., NHTF, VHHP) are those funds considered committed?	For both HOME and NHTF if the application proposes use of funding from another HCD funded program, that funding will be considered committed only if it has been recommended for

		funding. If the other HCD funded programs have not made their funding recommendations prior to the conclusion of the scoring process for HOME and NHTF those funds cannot be considered committed.
40	What is the distinction between high and low HOME rents in the universal application?	High HOME rents allow a higher maximum allowable unit rent than low HOME rents, which have a lower maximum allowable unit rent.
41	Can VHHP, HOME, and NHTF be layered on the same units?	HOME has no layering restrictions. Please verify with all other funding sources to determine if they have layering restrictions.
42	For verification of water and sewer, do I need to provide a site plan? Or a certification from the city?	The HOME Supplemental Application includes a form "Verification of Water Sewer Availability," which needs to be completed as part of the application. See page 72 of the supplemental application.